



TREASURER-TAX COLLECTOR

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FOR IMMEDIATE RELEASE

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San Diego County Treasurer-Tax Collector Sets Record Straight On County Retirement Plan

San Diego County Treasurer-Tax Collector Dan McAllister today refuted Mayor Murphy's recent allegations about the financial condition of the County's retirement plan as a deliberate and calculated attempt to mislead the public and divert attention from the City's pension plan debacle. McAllister's comments were sparked by an article in Monday's October 11, 2004 *Union Tribune* in which Murphy criticized several aspects of the County's retirement plan and attempted to draw similarities between the City's and County's retirement plans. McAllister, who serves on the San Diego County Retirement Association Board by virtue of his position as the Treasurer for the County, said that, "The City of San Diego is facing a financial meltdown and rather than show leadership, City officials have embarked on another round of the blame game and finger pointing. I am very disappointed that the Mayor and his advisors are trying to tar the County retirement plan with the same broad brush for political points when we are actually talking about two very different retirement systems and two altogether different financial outlooks."

"First," said McAllister, "Standard & Poor's, Moody's and Fitch have all vouched for the County's fiscal health because of the strong management and oversight of our financial affairs." He continued, "The same cannot be said for the City of San Diego," referring to Standard & Poor's suspension of the City's credit rating less than a month ago on September 20, 2004. At about the same time, Moody's also lowered the rating for the city's general obligation bonds one notch, cut ratings for other city bonds and placed San Diego on negative credit watch. McAllister added that Standard & Poor's has also issued a separate rating of "AA+" for the County's retirement fund while the City's pension fund remains unrated.

McAllister also pointed out that "the County of San Diego, with reserves of nearly \$600 million, has met its annual retirement fund contributions while the City remains in arrears with its pension payments." The County of San Diego has paid for its retirement plan contributions in part with pension obligations bonds, a move that has saved the County an estimated \$33 million in interest payments. However, because of its current financial uncertainty and SEC investigations into financial malfeasance, the City cannot sell pension bonds to meet its pension obligations.

"It is also very significant that the County does not have FBI agents and SEC officials walking its halls in search of evidence of fiscal wrongdoing," noted McAllister, alluding to the spate of investigations at City Hall by the SEC, FBI, U.S. Attorney, and a federal grand jury into the City's financial deterioration.

"The parallels that the Mayor and other City officials have tried to draw between the County and City could not be further from the truth. I urge the public to take a good hard look at the facts and see for themselves that for political reasons, the Mayor has distorted the truth about the financial condition of the County's retirement plan, which is in excellent shape," said McAllister. He added "I cannot in good conscience stand by and allow these baseless allegations about the County's retirement plan to be made without setting the record straight."

The San Diego County Treasurer-Tax Collector's Office provides investment, banking, and other financial services for the County and collects all property taxes. The Office also manages the \$4 billion dollar investment pool for the County and collects nearly \$3.0 billion in property taxes annually. The Office has 125 employees and five service facilities throughout the County to serve the residents of San Diego County.

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